

REQUEST FOR APPLICATIONS

Targeted Fisheries Assistance

Grant Program

Grant Application Guide for:

**Western Alaska Salmon Set Net & Upper Yukon River
Salmon Fish Wheel Improvement Program**

ISSUED BY:

STATE OF ALASKA

DEPARTMENT OF COMMERCE, COMMUNITY AND ECONOMIC DEVELOPMENT

OFFICE OF ECONOMIC DEVELOPMENT

FEBRUARY 4, 2005



February 4, 2005

Dear Western Alaskan:

The Department is pleased to announce this grant program as a way to contribute to great ideas for set net and fish wheel fishermen. We hope that you consider applying. We aren't concerned if your application is hand written and we don't expect grants to be put together by professional grant writers.

If you have a great idea or improvement that could be made to your fishing operation that would significantly increase the quality and value of the salmon, please do not hesitate to apply.

Sincerely,

A handwritten signature in blue ink, appearing to read "Glenn Haight".

Glenn Haight
Program Manager

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Section I - General Information

Welcome to the Targeted Fisheries Assistance Program: Western Alaska Salmon Set Net & Upper Yukon Salmon Fish Wheel Improvement Program (WASIP). This is the "Request for Applications" packet, also referred to as the Application Guide. Supplemental to this Application Guide is an Application Format. There are no application forms. In preparing an application under this program, follow the requirements of this Application Guide and the structure of the Application Format.

A. Issuing Agency & Contact Person

This Request for Applications is being issued by:

State of Alaska
Dept. of Commerce, Community & Economic Development (Commerce)
Office of Economic Development
P.O. Box 110809
Juneau, Alaska 99811-0809 (Mailing Address)
333 Willoughby Avenue, 9th Floor
Juneau, Alaska 99801 (Delivery Address)
Attention: Debbie McBride
Phone Number: (907) 465-2023
Fax Number: (907) 465-4761
E-mail: debbie_mcbride@commerce.state.ak.us

B. Additional Information & Assistance Available

Potential applicants should carefully review this Request for Applications for errors, questionable or objectionable materials, and items requiring clarification. Applicants should either put their comments and/or questions in writing and mail them to the above address, or phone the above individual as soon as possible.

Commerce may issue a written clarification to all those who initially receive a copy of the Request for Applications, or may respond only to the individual asking the question.

IMPORTANT - Commerce will screen all applications to assure adherence to the Application Guide and Application Format. Applications that do not address the requirements of the guide and format will be deemed non-responsive, and will be disallowed.

C. Introduction of the Targeted Fisheries Assistance Program

In April 2003, Governor Frank Murkowski announced the Alaska Fisheries Revitalization Strategy. The Revitalization Strategy combines federal Fisheries Disaster funds authorized under Title V – Fisheries Disaster, Section 501(b) of the 2003 Federal Appropriations Bill and Southeast Sustainable Salmon Fund monies, authorized under the Pacific Coastal Salmon Recovery Fund, made available by the work of Alaska Senator Ted Stevens.

The Revitalization Strategy is a multi-level, multi-year plan designed to spur increased productivity and innovation in the Alaska fishing industry by investing considerable resources into critical commercial fisheries infrastructure, capital improvement projects, quality improvements, and marketing.

A key component within the Revitalization Strategy is the Targeted Fisheries Assistance Program (TFAP), administered by Commerce. TFAP is intended to supplement prior grant programs by providing grant assistance toward solving key development problems facing distressed salmon fisheries. It is anticipated that a number of individual Requests of Grant Applications will be published covering a variety of development problems in various fisheries. Identification of distressed fisheries and targeted problems will be through findings by Commerce pursuant to Chapter 3 of the Alaska Administrative Code, 148.030.

The actual amount of funds allocated under TFAP, or any program in TFAP, will be determined after review of such findings; review of eligible grant applications received pursuant to published Requests for Grant Applications; and final determination of available funding. This Request for Grant Applications is titled “Western Alaska Salmon Set Net & Upper Yukon Salmon Fish Wheel Improvement Program” (WASIP). It is anticipated that up to \$350,000 may be available pursuant to this Request.

Commerce reserves the right to alter such allocations, including re-authorization of the available funds for other purposes under the Governor’s Alaska Fisheries Revitalization Strategy, based on the overall quality and long-term value of the applications received. This grant application solicitation in no way requires Commerce to expend or grant any funds for the purposes discussed herein.

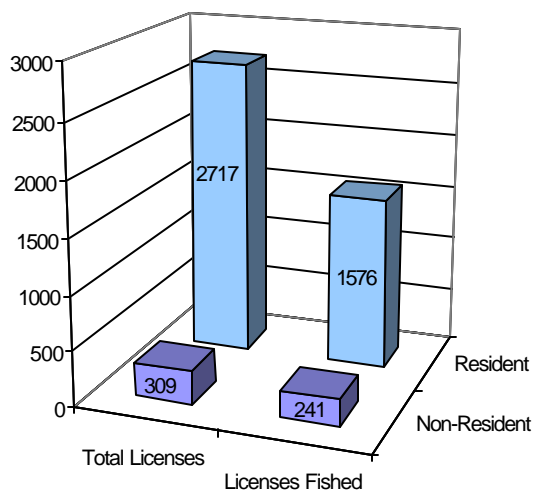
D. Western Alaska Salmon Set Net & Upper Yukon Salmon Fish Wheel Fisheries - Identification of Distressed Fishery & Target Problem

Discussion: Commerce finds that the western Alaska commercial salmon set net fisheries, and the upper Yukon commercial salmon fish wheel fishery are distressed fisheries as evidenced by the decline in salmon prices and decrease in earnings in both the harvesting and processing sectors.

In Western Alaska, six (6) different set net fisheries and one (1) fish wheel fishery are licensed. In 2003 a total of 1,817 Western Alaska set net and fish wheel fishermen recorded landings totaling 26.4 million pounds valued at \$13.1 million and averaging \$.50/lb. This compares with mid-90s statistics when the number of active fishermen averaged 2,807 and harvested 48 million pounds totaling \$33.8 million annually and when the average price per pound was \$.70.

While salmon set net fisheries share many characteristics, they also show important diversities.

Western AK Setnet & Fishwheel Licenses 2003



? Set net operations comprised 35% of active salmon operations in the huge Bristol Bay fishery, and 21% of the fishery's total production.

? North of Bristol Bay set nets are the only legal salmon gear in coastal and lower river fisheries.

? Set net operations are the most Alaskan of any fishery type. In 2003, 87% of set net sites in Western Alaska were run by residents. North of Bristol Bay that number is virtually 100%.

? All of the active Upper Yukon commercial fish wheel operations are resident owned.

- ? Most set net and fish wheel operations are geographically remote and suffer from lack of services and infrastructure.
- ? These operations generally have a reputation for poor quality, but those that produce top quality demonstrate that this reputation can be changed.

- ? Set net operations in Western Alaska run the gamut from fairly sophisticated, high production enterprises in some parts of Bristol Bay to cash economy extensions of family subsistence efforts throughout the region.
- ? The Kuskokwim, Upper and Lower Yukon, Norton Sound and Kotzebue fisheries are overwhelmingly small-scale in nature.
- ? All these fisheries have suffered serious economic decline and are performing far below their economic potential.
- ? Because of their highly resident and local participation, improving their economic performance will have direct and immediate impacts on the economies of some of Alaska's most economically depressed communities.

2003 Salmon Harvest Statistics

Fishery Area		Resident Licenses	Non-Res. Licenses	Total Landings	Total Earnings	Avg. per License	Avg. Per Pound
Bristol Bay	S04T	522	239	21,176,128	\$10,126,517	\$13,307	\$0.48
Kuskokwim	S04W	438	0	3,687,373	\$892,831	\$2,038	\$0.24
Lower Yukon	S04Y	555	2	947,737	\$1,913,206	\$3,435	\$2.02
Upper Yukon	S04P	7	0	9,499	\$10,354	\$1,479	\$1.09
Norton Sound	S04Z	30	0	163,212	\$64,319	\$2,144	\$0.39
Kotzebue	S04X	4	0	218,251	\$26,469	\$6,617	\$0.12
Upper Yukon Fish Wheel	S08P	20	0	195,635	\$45,335	\$2,267	\$0.23
TOTAL		1,576	241	26,397,835	\$13,079,031	\$7,198	\$0.50

Purpose of WASIP: The purpose of WASIP is to stimulate innovative projects for revitalizing the set net and fish wheel fisheries. Overarching program goals are increasing the value/profitability of an operation and the quality of the salmon. Types of projects of interest include, but are not necessarily limited, to those that

- ? improve logistics for set net and fish wheel operators;
- ? improve selectivity of the gear;
- ? demonstrate innovative changes and investments to an operation that significantly improves quality; and
- ? enhance the operational effectiveness of equipment used by set net and fish wheel operators.

E. Who May Apply

Eligibility ("eligible applicant") is limited to:

- (i) For-profit small businesses including licensed set net or fish wheel fishermen, groups of set net or fish wheel fishermen, fish processors that buy and process set net/fish wheel salmon, and service businesses directly related to servicing commercial set net or fish wheel operations. [For-profit applicants must meet the U.S. Small Business Administration's guideline size limit, defined as average monthly total employment not exceeding 500 persons. For businesses that are subsidiaries or close affiliates of other companies, the Department will assess the total employment of the entire entity or group of entities.]
- (ii) Non-profit entities such as fishermen's cooperatives affiliated with a set net or fish wheel fishery, or community and/or regional non-profit organizations representing community or regionally-based salmon commercial set net or fish wheel fishery interests. [Applicants claiming non-profit status must provide supporting documentation from the Internal Revenue Service.]
- (iii) Western Alaska government units such as boroughs, municipalities, tribal councils, or other recognized governing bodies of communities or regions in which commercial set net or fish wheel fisheries operate.

F. Eligible Communities

Projects are limited to those that will benefit communities within regions that have been directly impacted by the downturn in set net or fish wheel operations in the regions identified under Section D.

G. Type of Projects

Assistance will be provided in the form of one-time funding (grants) for improving the economic viability of commercial set net or fish wheel fisheries, including projects aimed at improving quality, prices, efficiency and logistics, and the overall economic contribution of the fisheries.

Projects may be applicable to a specific commercial set net or fishery, or to the commercial fish wheel fishery, or to these fisheries in general. Projects must demonstrate a direct, tangible improvement to set net or fish wheel operations. Projects are intended to be underway for the 2005 season and completed prior to 2006.

H. Ineligible Projects

Feasibility studies are not eligible. Operational and maintenance costs of existing projects are not eligible. Operational and maintenance costs of proposed projects, incurred after completion of the initial start-up, are also not eligible.

I. Project Duration & Match Requirements

Projects may range in duration from a few months to one year. Under current federal requirements funding received under this program must be expended by June 30, 2006.

Commerce may provide up to 50 percent of the project's entire cost. Applicants must provide at least 50 percent of the total project's cost (match) and are encouraged to provide more.

This is a matching, cost reimbursable grant program. Prior to receiving funds, grantees are required to match all expenses. The applicant will be required to expend funds and then seek reimbursement from Commerce. A recipient's share of the cost of a project may be met with cash, with direct and indirect payroll cost for personnel used in the project, with in-kind contributions, including the use of existing equipment, with borrowed money, with money contributed by another entity, or with revenue generated as part of the project. In-kind contributions shall be valued according to industry standards for costs incurred in similar projects. [Note that Commerce, in its sole discretion, may allow for a project advance payment. Also see Section 2 F.]

J. Long-Term Value

WASIP is intended to provide one-time grant funding to improve the long-term sustainability and value of the set net and fish wheel fisheries in Western Alaska. Projects will demonstrate innovative approaches to dealing with current problems related to quality, logistics and infrastructure. Once completed, projects will serve as demonstration projects for operations in Western Alaska.

K. Other Requirements

As of the release of this Application Guide, this Program is evolving. Therefore, Commerce retains the right to change this Program as needed to comply with significant policy decisions.

Additionally, since this Program is being funded with federal money from the U.S. Department of Commerce, National Oceanographic and Atmospheric Administration provided to the State of Alaska, applicants must be aware that, in addition to state requirements, the following federal requirements may apply to Commerce and to its sub-recipient grantees (applicants):

- ? Section 3016.22 incorporates the Cost Principles dictated by OMB Circular A-87 or similar document.
- ? Section 3016.37 requires Commerce to give notice of all federal requirements to its sub-recipients.
- ? Applicants in the arrears with the federal government for any money owed may not be eligible for grants under this Program.

? State of Alaska's Single Audit Requirement established under Alaska Administrative Code 2 AAC 45.010.

Applicants should be aware that their application and all supporting documentation, as well as reports submitted pursuant to any grant received are public information.

Section II – Submission, Form of Application, Required Information

A. Due Date & Number of Copies

Applications must be postmarked no later than April 4, 2005.

Applicants should adhere to the format outlined in the Application Format [Appendix 1], the final two pages of this document.

Applicants must submit seven (7) complete copies of their application to the address and individual listed on page one (1) of this Request for Applications.

The body of the application is to consist of no more than eight (8) pages, not including the Table of Contents and cover page. Font size should be no smaller than size 12, unless handwritten. Margins must be at minimum 1 inch from each side of the paper.

Attachments to the body of the application, such as resumes, detailed designs, cost estimates, resolutions, etc. are in addition to the eight-page limit and are to be clearly identified.

Applications must provide the information in the format required in Sections B through H set out below. **Applications that do not meet the requirements of this Section II – B through H will be dismissed.**

If you are reading this in printed “hard copy” and would like to access the document in electronic form, you can access this Application Guide from Commerce's website at <http://www.commerce.state.ak.us/oed/seafood/revitalization/assistance.htm>

B. Cover Sheet / Project Name

Please provide a cover sheet for your application, with a concise, descriptive name for your project. Use that name consistently throughout your application.

C. Table of Contents

An application must include a Table of Contents, and all pages including appendices must be numbered and reflected accordingly in the Table of Contents.

D. Applicant Information

An applicant's proposal (grant application) must:

- ? Clearly identify the applicant's organization and provide documentation as to whether the applicant is a governmental unit, a non-profit entity, or a for-profit small business [If the applicant is a for-profit entity, it must clearly demonstrate that it meets the qualification of a small business as defined by the U.S. Small Business Administration - see Section I E (i) page 6].

- ? Describe the applicant's organization (government, non-profit, for-profit small business), duration of existence, organizational diagram, lines of communication, etc. If the applicant is a small business, please also include the type of business (sole proprietorship, C Corporation, S Corporation, Partnership, Limited Partnership, or Limited Liability Company).
- ? Provide the applicant's physical and mailing addresses, telephone and fax numbers, e-mail addresses, and other pertinent contact information.
- ? Provide the federal employer identification number [EIN] (often a Social Security Number for small businesses).
- ? Discuss the applicant's experience with similar previous projects, the success of those projects, and current and/or on-going projects.
- ? Identify the key personnel, previous experience of each, and ability to successfully complete this project. Individual resumes may be included as part of the applicant's proposal.

If the applicant intends to hire a contractor(s) to perform portions of this project, the following information must also be provided for each contractor if available:

- ? Complete name, mailing address, and physical address.
- ? Verification of business license and other licensing credentials required by Alaska law.
- ? Complete name, title, phone number, and e-mail address of the contractor's contact person.
- ? Identify the contractor's key personnel, previous experience, and responsibilities of each in the completion of the portion the project being contracted.
- ? Individual résumés may also be included.

E. Identify & Discuss the Community(ies) and / or Industry Sector(s)

- ? Applicant must identify the communities and/or the set net/fish wheel fishery(ies) that will benefit from the project.
- ? Applicant must describe the extent of the impact of the downturn in the community(ies), region or particular fishery by discussing recent economic indicators such as price, wholesale price paid to processors (if available), decline in permits fished, return to harvesters and processors, and declining economic activity for related businesses, etc.
- ? If the applicant is a local government, the applicant must provide the governing body's proposed resolution of support.
- ? If the applicant is a non-profit entity, the applicant must provide a resolution of support from the local government(s), and/or evidence of cooperative agreements, or memoranda of agreement between the applicant and the local government.

- ? If the applicant is a for-profit small business, the applicant must document how it has been impacted by the downturn in the fishing industry. Documentation of the community's support is not required but would be beneficial, as would evidence of active cooperation with, or support of local government and/or relevant non-profit entities.

F. Project Description

An applicant's proposal must provide a thorough description of the project and should include, but not necessarily be limited to:

- ? Detailed discussion of the project purpose and implementation including completion date of each milestone and specific activities. Projects should be underway prior to the 2005 salmon season and completed prior to 2006.
- ? Details of equipment, gear designs, or operational changes (if applicable).
- ? Accurate location information, including maps if available.
- ? Description of construction, expansions, modifications to new and/or existing structures, facilities, or equipment, (if applicable).
- ? Discussion of environmental and industry impacts, special requirements, permits, certifications, and/or other pertinent necessary approvals.
- ? Detailed discussion of the project's feasibility. Include all potential obstacles in the current business environment that may hinder or halt the success of the project; ideas or areas of change that would improve the viability of the project; and any other unique characteristics and assumptions that may affect the project.

G. Discuss the Project's Budget

An applicant's proposal must provide a detailed, comprehensive budget that identifies all project revenue and expenses, with independent estimates as available. Discussion should include, but by no means be limited to, the following items:

- ? Identify and project in detail any and all direct expenses. Examples include, but are not limited to: facility, gear or equipment purchase or modifications, construction costs, equipment purchases, materials, supplies, freight, transportation, payroll and benefits, and etc.
- ? Identify and project in detail all funding sources. Examples include, but are not limited to, Commerce grant funds, applicant's available cash, applicant's in-kind match, applicant's proposed loan(s), revenue generating ideas, revenue from another entity, etc. Also identify the percentage of funding provided by Commerce, applicant, and other sources.
- ? An applicant's match must be directly related to the specific project in the application. Proposed match unrelated to the project will be rejected. For instance,

a processing business applying for ice making equipment cannot use its existing facility as match.

H. Discuss the Project's Long-Term Value

An applicant's proposal must describe the long-term value and sustainability of the project. Information must be consistent with information presented elsewhere in the applicant's proposal. Discussion should include but is not limited to:

- ? How the project will facilitate any of the following in the long-term: (1) increase Alaska seafood/product quality, (2) increase Alaska seafood/product diversity and/or value in the consumer or food service market(s), (3) increase profitability for the harvesting and/or processing sector of the industry, (4) increase efficiencies and productivity in the industry, (5) lower costs within the industry, or (6) increase economic activity within the community and/or region.
- ? How the project will become self-sustaining and the mechanisms, contractual or other, that assure increased productivity and capability of adapting to changes in the marketplace.
- ? The continuing costs of the project including operation and maintenance, equipment upgrades and replacement, facility replacement and upgrades, and other improvements. Equipment depreciation and replacement schedules must be based on current industry rates and standards.
- ? The continuing revenue sources and mechanisms to assure adequate revenue. Applicants are encouraged to include detailed, supported pro forma projections.

Section III - Review and Evaluation of Applications

A. Initial Review of Applications

Prior to evaluating the grant applications, Commerce will perform an initial review to identify grant applications that do not meet the minimum requirements, have not provided the minimum information, or are otherwise deemed unresponsive to the requirements set forth herein. Commerce in its sole discretion may contact the applicant for additional information or Commerce may declare the application as non-responsive and reject it in its entirety. If rejected, the grant application will be eliminated from the evaluation process and the applicant will be notified accordingly.

B. Evaluation of Applications

Upon completion of the initial review, remaining applications will be forwarded to an evaluation committee comprised of staff members from the departments of Commerce, Fish and Game, and Labor. Each member of the evaluation committee will independently evaluate each grant application based on the criteria, evaluation factors, and numerical values identified in this Application Guide and summarized below:

Eligible Applicant	15
Communities / Industry Sectors Served	15
Project Description	30
Project Amount (Budget)	20
Project's Long-term Value	20
Maximum Possible Points	100

- ? The Evaluation Committee, in its sole discretion, may decide if additional discussion with, or presentations by, applicants are required, and/or if site inspections are necessary. Following any such discussions, presentations or site visits, members of the Evaluation Committee may change their individual scores based on the additional information provided.
- ? The individual Evaluation Committee members may meet as a Committee to discuss the grant applications before and/or after their individual review and scoring. Members of the Evaluation Committee may change their individual scores based on these discussions.
- ? When the individual Evaluation Committee members have completed their scoring, the total points for each grant application will be determined and applications will be ranked numerically.
- ? Applications and ranking information will be forwarded to Cabinet level members of the Alaska Fisheries Revitalization Strategy Committee. Members will advise the Department, taking into consideration federal limitations, the economic condition of the fishing region and the sectors and communities cited in the application, the

numerical ranking determined by the Evaluation Committee, and such other factors they deem appropriate.

C. Notification of Applicants

All Applicants will be notified upon completion of the evaluation process.

Commerce will make preliminary award determinations. Applicants receiving a preliminary award will work with Commerce on all outstanding requirements. Once all requirements have been met, the successful applicant will have the opportunity to enter into a Grant Agreement with Commerce.

Unsuccessful applicants have a chance to seek reconsideration from Commerce. Commerce, at its sole discretion, may consider the reconsideration and will notify the applicant accordingly.

D. Disclaimer / No Requirement to Make Awards

Nothing in the Request for Grant Applications requires Commerce to actually make an award. If no applications are received that the Department and reviewers deem adequate in addressing the target problem, the Department may elect to deny all applications.

E. Grant Award Termination

The use of these grant funds are intended to have an immediate impact on the economic health of the fishery. Projects must be completed in the allotted time. Failure to make substantial progress on the funded project in a reasonable time, as determined by Commerce, may result in the termination of a grant award.

Appendix A - Application Format

In preparing your application for consideration, please follow this format and refer back to the Application Guide for detailed instructions on each section. This format refers to the information required in Section II items B through H of the Application Guide.

I. Cover Sheet / Project Name (use this name consistently throughout your application)

II. Table of Contents

III. Applicant Information

A. Organization

1. Name
2. Organization status - government, non-profit, for-profit small business
3. History, organization diagram, lines of communication, etc.
4. Physical and mailing addresses, phone and fax number, e-mail address (if available), other contact info
5. Social Security Number (SSN) for individuals, or Federal employer identification number (EIN)
6. Project lead & other key personnel
7. Relevant experience

B. Contractor Information (if applicable)

1. Name(s)
2. Contacts
3. Verification of credentials
4. Key personnel
5. Relevant experience

IV. Communities / Industry Sectors

- A. Identify community(ies) and/or fishing industry sectors affected
- B. Describe adverse impact on community(ies), industry sectors and applicant caused by the downturn in salmon industry
- C. Resolutions of support, or similar supporting information

V. Project Description (use attachments as needed)

- A. Purpose and implementation of project
- B. Systems design, engineering, specifications
- C. Locational information
- D. Details of construction, expansions, modifications, and equipment
- E. Environmental and industry impacts / pertinent approvals needed
- F. Discussion of project feasibility

VI. Project Budget

A. Budget sheet under the following format:

Expense Description	Amount Requested	Match	Total
Totals			

- B. Identification of expenses
- C. Identification of all funding sources
- D. Identification of in-kind match (if applicable)
- E. Advance payment requests (if applicable)

VII. Long Term Value

- A. How the project will increase: seafood/product quality; value to the consumer; profitability, efficiency and productivity for the industry; and increase economic activity within the community and/or region
- B. Discussion on how the project will become self-sustaining, including the continuing costs of the project, and future revenue sources

Attachments – Application Information

- Incorporation documentation
- Plan contributor resumes
- Detailed plan documents (If back-up plans, specifications, maps, etc. are voluminous, you can describe the information in the narrative body of your application and attach the detailed information as needed)
- Other